

Winning the Future for African-American Families

Having emerged from the worst recession in generations, the President has put forward a plan to rebuild our economy and win the future by out-innovating, out-educating, and out-building our global competitors and creating the jobs and industries of tomorrow. But we cannot rebuild our economy and win the future if we pass on a mountain of debt to our children and grandchildren. We must restore fiscal responsibility, and reform our government to make it more effective, efficient, and open to the American people. The President's 2012 Budget is a responsible approach that puts the nation on a path to live within our means so we can invest in our future – by cutting wasteful spending and making tough choices on some things we cannot afford, while keeping the investments we need to grow the economy and create jobs. It targets scarce federal resources to the areas critical to winning the future: education, innovation, clean energy, and infrastructure. And it proposes to reform how Washington does business, putting more federal funding up for competition, cutting waste, and reorganizing government so that it better serves the American people.

To help African-American families win the future, the Budget will:

Spur Job Creation. While the economy has added jobs for each of the last 12 months, too many Americans families are still hurting and the unemployment rate is unacceptably high. That is why the Administration is continuing a series of targeted steps to spur job creation and economic growth in the short term in a fiscally responsible way. As 2010 ended, families across the Nation faced the prospect of rising taxes. The Administration not only prevented a tax increase, but also negotiated a series of measures to create jobs and protect vulnerable populations most affected by the recession by extending unemployment benefits for 13 months, preventing an estimated 7 million workers from losing their benefits as they search for jobs; allowing businesses to expense 100 percent of certain investments, which is estimated to generate more the \$50 billion in additional investment and fuel job creation; and continuing the Research and Experimentation Tax Credit and Renewable Energy Tax Grants which accelerate the growth of these promising industries and allow them to hire more workers. The Budget also proposes an upfront investment of \$50 billion in infrastructure as part of a new surface transportation bill that will jump-start additional job creation and fund improvements in the Nation's surface transportation, airports, and the air traffic control system, making the U.S. more competitive going into the future.

Equip American Workers to Compete and Win in the Global Economy. In this increasingly interconnected global economy, it is important that we give American workers the capabilities and American businesses the tools to compete and win in the global economy. We must transform our economy from one that is too focused on speculation, spending, and borrowing to one that is continuously educating, innovating and building. The Administration is committed to smart investments in a lifetime of learning that will improve the capabilities of our workforce. The Budget proposes to:

- *Establish a Competitive Early Learning Challenge Fund.* Recognizing that quality early education is an investment that pays off for years to come, the Administration proposes

creating a competitive fund to encourage States to take dramatic steps to improve the quality of their early childhood development programs.

- *Improve Elementary and Secondary Education.* Too often, education funds are allocated based on factors not tied to success. In the context of the reauthorization of the Elementary and Secondary Education Act, the Administration is committed to consolidating narrow programs into broader authorities with higher, clearer standards and assessments; recognizing and rewarding schools and teachers that help students make gains; and giving States and school districts new flexibility to help all students graduate from high school, college- and career-ready. The Budget proposes to do this by expanding the successful Race to the Top program to school districts, funding the Investing in Innovation program, and creating new “pay for success” bonds that invest in proven innovative approaches to student learning.
- *Consolidate Redundant and Stove-Piped Programs to Improve Outcomes.* The Budget proposes eliminating 13 Department of Education discretionary programs and consolidating 38 K-12 programs into 11 new programs that emphasize using competition to allocate funds, giving communities more choices and using rigorous evidence to fund what works. The Administration will make sure that, under these competitions, there is an equitable geographic distribution of funds nationwide.
- *Give Students Access to Successful Schools.* The Budget provides significant funding to school turnaround grants to help States and school districts turn around our Nation’s lowest performing schools and expand educational options by helping to grow effective charter schools and other autonomous public schools that achieve positive results.
- *Improve Job Training.* The Budget provides funding for a competitive Workforce Innovation Fund that will allow States and localities to create and test new ideas and strategies for delivering better employment and education results and provides nearly \$10 billion to fund Workforce Investment Act (WIA) programs to match unemployed people with jobs and give people with skill gaps the training they need to secure employment. The Administration will also work with Congress to reform WIA to better meet the needs of employers and regional economies.

Support Business Growth and Lending in Low-Income and Minority Communities. Even in the more constrained budget environment, the Administration continues to support robust funding of programs that improve the availability of credit in underserved and lower-income communities, and includes initiatives targeted to improving financial literacy and increasing the availability of healthy foods in areas now lacking them. For example, the Budget provides \$227 million for the Treasury Department’s Community Development Financial Institutions (CDFI) Fund, which provides capital to low-income communities across the Nation and is targeting a portion of its funds to help bring grocery stores and other healthy food retailers to underserved urban and rural communities. To assist entrepreneurs to start businesses and create jobs in inner cities, the Budget also includes \$3 million to continue SBA’s Emerging Leaders (formerly Emerging 200) initiative. The Budget also funds several initiatives designed to promote entrepreneurship in underserved areas including the Small Loan Advantage and Community Advantage programs and the Small Business Investment Company (SBIC) Impact Fund

debenture program, which will support impact investments that target residents of economically distressed regions or owned by a socially or economically disadvantaged group.

Strengthen Anti-Discrimination Enforcement. Even in these fiscally constrained times, the substantial investments that have been made by the Administration to strengthen civil rights enforcement against racial, ethnic, sexual orientation, religious, and gender discrimination continue in the 2012 Budget. The Administration also proposes an increase for the Community Relations Service in the Department of Justice to fight hate crimes and provides an \$18 million, a 5 percent increase over the 2010 enacted level, for the Equal Opportunity Employment Commission (EEOC), which is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee. This investment will allow EEOC to add additional staff to reduce the agency's backlog of private-sector discrimination charges.

Improve Access to Higher Education for Students from Minority Backgrounds. The Budget proposes to double loan amounts for Historically Black Colleges and Universities (HBCU) above the 2010 enacted level and maintains funding for programs administered by the Department of Education, the Department of Energy and the National Science Foundation that fund HBCUs. The Budget also provides an additional \$40 million for a new competitive grant program, the Hawkins Centers of Excellence, to improve and expand teacher education programs at minority-serving institutions, a significant pipeline for preparing a diverse teaching force.

Promote College Graduation. The Budget invests \$150 million in a new initiative to increase college access and completion and improve educational productivity, which will help America restore its international leadership in the number of students graduating from college. The proposal introduces into the Fund for Improvement of Postsecondary Education an evidence-based framework, enabling the Fund to become a postsecondary "Investing in Innovation" program that will test, validate, and scale up effective approaches. In addition to these competitive grants, the Budget also provides \$50 million in 2012 and a total of \$1.3 billion over five years in performance-based funding to institutions that have demonstrable success in enrolling and graduating more high-need students and enabling them to enter successful employment. Finally, the Administration invests an additional \$67 million in the TRIO program, run by the Department of Education, which provides education outreach and student support services to help individuals from disadvantaged backgrounds prepare for, enter, and complete college and graduate studies.

Increase the Number of Math, Science, and Engineering Graduates. If the United States is going to create the industries of tomorrow and the jobs that come with it, we need to continue to invest in educating the scientists and engineers who will develop these breakthroughs. In cooperation with the Department of Education, the National Science Foundation's (NSF) Teacher Learning for the Future program will fund innovative efforts that design, develop, implement, and test new teacher-training programs. To bring undergraduates from groups historically underrepresented in science, technology, engineering, and math (STEM) fields, the Budget includes \$20 million for a new overarching, comprehensive science and technology workforce program. These programs will be developed in conjunction with a government-wide effort to improve the impact of Federal investments in math and science education by ensuring

that all programs supporting K-12 and undergraduate education adhere to consistent standards of effectiveness.

Expand College Access by Putting Pell Grants on a Firm Financial Footing. To boost the number of college graduates, we need to make it easier for students to afford a post-secondary education and support efforts to increase the number of students who get their degree. One of the most effective ways to help students afford college is the Pell grant program. The Budget maintains its commitment to Pell Grants by sustaining the \$5,550 maximum award, which will help over 9 million needy students in 2012. The Budget pays for this expansion with a difficult but necessary Pell Grant Protection Act that ends the costly new “year-round Pell Grant” and eliminates the ineffective in-school interest subsidy for graduate students, among other measures. While this approach fully funds the currently anticipated needs for Pell Grants, the Administration is also committed to working with Congress to develop an approach that addresses future costs.

Help States Provide Paid Family Leave to Workers. Too many families must make the painful choice between the care of their families and a paycheck they desperately need. The Family and Medical Leave Act allows workers to take job-protected unpaid time off, but millions of families can’t afford to use unpaid leave. A handful of States have enacted policies to offer paid family leave, but more States should have the chance. The Budget supports a \$23 million State Paid Leave Fund within the Department of Labor that will provide competitive grants to help States that choose to launch paid-leave programs cover their start-up costs.

Extend Tax Cuts for Families. Several tax breaks that are important to families across the Nation were part of the bipartisan Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act that the President negotiated and signed into law in December. The legislation extends the child tax credit at \$1000, rather than letting it revert to \$500. It also extends refundability, which continues a tax cut that goes to 10.5 million working families with 18 million children. The expanded Earned Income Tax Credit, which is worth up to \$600 for families with three or more children, and reduces the “marriage penalty” faced by some working married families, was also extended. Finally, to help students afford the cost of college, the new American Opportunity Tax Credit – a partially refundable tax credit worth up to \$2,500 per student per year that helps more than 8 million students and their families afford the cost of college – would be continued under the agreement.

Prevent Hunger and Improve Nutrition. At a time of continuing need, the Budget provides \$7.9 billion for discretionary nutrition program support. Funding supports 9.6 million participants in the WIC program, which is critical to the health of pregnant women, new mothers, and their infants and young children. The Administration supports implementation of the Healthy, Hunger-Free Kids Act of 2010, strengthening the child nutrition programs and increasing children's access to healthy meals and snacks. As the Supplemental Nutrition Assistance Program (SNAP) continues to serve an unprecedented number of participants, the Administration re-proposes to temporarily suspend the time benefit limits for certain working-age, low-income adults without dependents for an additional fiscal year. The Budget also proposes to restore the SNAP benefit cuts that were included in Child Nutrition reauthorization. In order to combat food deserts, the Administration provides \$35 million in the Office of the Secretary and other funds in Rural Development and the Agricultural Marketing

Service to support USDA's portion of the Healthy Food Financing Initiative. The funding will provide grants, loans, loan guarantees, and other assistance to expand retail outlets for farm products in food deserts.

Revitalize Distressed Urban Neighborhoods. The Budget reflects an integrated and performance-driven approach to distressed urban neighborhoods, where the challenges tied to jobs, education, public safety, and other needs intersect and compound each other. The Budget provides \$250 million for the Choice Neighborhoods initiative to continue transformative investments in high-poverty neighborhoods where distressed HUD-assisted public and privately owned housing is located, a significant increase from the 2010 enacted level. The Budget will reach 5 to 7 neighborhoods with grants that primarily fund the preservation, rehabilitation and transformation of HUD-assisted public and privately-owned multifamily housing, and will also engage local governments, nonprofits, and for-profit developers in partnerships to improve surrounding communities.

Establish New Economic Growth Zones. To bolster economic rejuvenation in hard-hit areas of our country, the Administration proposes a new Growth Zone program that will deliver expanded tax incentives for investment and employment, \$40 million in EDA grants for planning and seed capital, and a more streamlined access to government assistance to 20 new areas facing economic distress as well as growth potential. Replacing the Empowerment Zone program, the Growth Zones will include a mix of rural and urban areas that will be selected through a national competition that will judge their competitive strategies and their need and ability to attract investment and growth.

Preserve Affordable Rental Opportunities. The Budget requests \$19.2 billion for the Housing Choice Voucher program to help more than two million extremely low- to low-income families with rental assistance live in decent housing in neighborhoods of their choice. The Budget funds all existing mainstream vouchers and provides new vouchers targeted to homeless veterans, families, and the chronically homeless. The Administration remains committed to working with the Congress to improve the management and budgeting for the Housing Choice Voucher program, including reducing inefficiencies, and re-allocating Public Housing Authorities' Housing Voucher reserves based on need and performance. The Budget also provides \$9.4 billion for Project-Based Rental Assistance to preserve approximately 1.3 million affordable units through increased funding for contracts with private owners of multifamily properties. This critical investment will help extremely low- to low-income households to obtain or retain decent, safe and sanitary housing.

Promote Affordable Homeownership and Help Families Stay in Their Homes. The Administration projects that the Federal Housing Administration (FHA) will insure \$218 billion in mortgage borrowing in 2012, supporting new home purchases and re-financed mortgages that significantly reduce borrower payments. FHA financing was used by 38 percent of all homebuyers, 60 percent of African-American homebuyers and 61 percent of Hispanic families who purchased homes in 2009. It also is a vital financing source for first-time homeowners; roughly 30 percent of who use FHA insured financing. The Budget also includes \$168 million for housing and homeowner counseling through HUD and the Neighborhood Reinvestment Corporation (NeighborWorks). Over half of these funds are dedicated to foreclosure assistance.

NeighborWorks' National foreclosure Mitigation Counseling program has assisted over 1 million households since its inception in 2008.

Expand Prisoner Re-entry Programs. The Budget provides \$803 million for Department Justice prisoner re-entry programs, including \$100 million for grant assistance under the Second Chance Act and \$30 million for residential substance abuse treatment programs in State and local prisons and jails. In addition, the Budget provides \$98 million for Department of Labor programs that provide employment-centered services to adult and youth ex-offenders and at-risk youth. These programs reduce recidivism by providing counseling, job training, drug treatment, and other transitional assistance to former prisoners as they reintegrate into the job market and community life.

Begin Construction of National Museum of African-American History and Culture. The Budget proposes \$125 million this year to begin construction of the Smithsonian Institution's National Museum of African-American History and Culture on the National Mall in Washington, DC. Federal funding will be matched one-for-one by private donations. The museum, which was established by a bipartisan Act of Congress in 2003, will open in 2015 to coincide with the 150th anniversary of the end of the Civil War, the 150th anniversary of the 13th amendment which abolished slavery, and the 50th anniversary of the Voting Rights Act.